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# GAIN Report

Global Agriculture Information Network

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## Egypt

### Grain and Feed

### Wheat Update

### 2004

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**Report Highlights:**

Egypt's total wheat purchases for MY 2003-04 (July-June) increased by approximately 18 percent compared to MY 2002-2003. U.S. market share in MY 2003-04 also increased to 55 percent of total Egyptian imports, compared to 34 percent during MY 2002-03.

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Includes PSD Changes: No  
Includes Trade Matrix: No  
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Cairo [EG1]  
[EG]

Egypt's wheat purchases for MY 2003-04 (July-June) increased by approximately 18 percent compared with MY 2002-2003. Total Egyptian wheat contracts in MY 2003-04, both government and private sector are estimated at 6,873,312 MT. While imports by the Ministry of Supply (GASC) and Food Industries Holding Company (FIHC) increased by 34 percent and 4 percent, respectively private sector imports decreased by 13 percent. This dramatic increase in GASC demand is mainly due to a decision to import 120,000 MT of wheat per month for the production of unsubsidized flour used to make fino bread for school sandwiches.

These additional imports started in September 2003 when the price of unsubsidized bread increased to nearly 25 percent. The lack of foreign exchange availability for private sector importers and the continuing devaluation of the Egyptian pound resulted in a 100 percent increase in private sector flour at the wholesale level. High international prices for wheat also had an impact on the increase. In addition, in July 2004, the government imposed a five percent sales tax on unsubsidized bread, biscuits and crackers.

The following table shows total wheat purchases in MY 2002-2003 and MY 2003-04 for the three principal buying entities in Egypt:

	MY 2002-2003 MT	MY 2003-04 MT
GASC:	3,840,000	5,130,000
FIHC:	39,000	196,000
Private Sector:	1,752,615	1,547,312

U.S market share in MY 2003-04 is estimated at 55 percent, compared to 34 percent in MY 2002-2003. The market share for Australia and France in MY 2003-04 is estimated at 35 percent and 7 percent, respectively, compared to 40 percent and 6 percent, respectively, in MY 2002-2003. Wheat imports from Russia in MY 2003-04 (all by the private sector,) decreased substantially to 147,117 MT, compared with 1,339,283 MT in MY 2002/03. This decrease was mainly due to the higher price of Russian wheat when compared to other traditional sources. During MY 2003-04, small quantities of wheat were also imported from other non- traditional wheat suppliers such as Syria, Sweden, and Brazil. The three countries supplied 200,000 MT, 57,670 MT and 48,000 MT, respectively.